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SIPDIS

STATE FOR AC/CB, NP/CBM, VC/CCB, L/ACV, IO/S  
SECDEF FOR OSD/ISP  
JOINT STAFF FOR DD PMA-A FOR WTC  
COMMERCE FOR BIS (GOLDMAN)  
NSC FOR CHUPA  
WINPAC FOR LIEPMAN

E.O. 12958: N/A

TAGS: PARM PREL CWC

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR  
THE 36TH EXECUTIVE COUNCIL SESSION OF THE OPCW

REF: STATE 63125

This is CWC-42-04.

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SUMMARY  
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**11.** (U) The 36th Executive Council session of the OPCW was a solid success for the U.S. across the entire range of substantive and administrative issues. The presence of the Libyan delegation was sufficient to ensure that EC-36 would be memorable, and a report on the various discussions involving Libya will be provided septel. The Council managed to clear away a substantial number of issues that had languished for some time. A number of U.S. destruction and conversion plans and facility agreements were approved. Two long-standing industry issues were resolved, and progress was made on other items. Decisions and report language provide the basis for necessary changes on insurance and home leave travel payments, as well as improvements in the operations of the Office of Internal Oversight. While there was discussion on implementation of results-based budgeting (RBB), it was notable that the policy decision was not challenged.

**12.** (U) Perhaps most contentious was the Director-General's report on the implementation of the tenure policy, which generated some 30 interventions. The DG told delegations that work is in progress on measures to ease the transition of those separated from the OPCW. The discussion ended without rancor, and we urge Washington to fully support these transition initiatives. In short, EC-36 cleared away much of the underbrush on numerous issues in a variety of areas and laid the foundation for intersessional work that can address a new set of USG priorities. Results on specific issues are provided below as noted in the annotated agenda for EC-36.  
End Summary.

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AGENDA ITEM THREE: DG STATEMENT  
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**13.** (U) Topics addressed in the DG statement (sent to AC/CB) were: accolades for Libya on its accession to the OPCW, military and industrial verification, international cooperation, Article VII implementation, external relations and universality, tenure, results based budgeting, the OPCW insurance policy, and OPCW resources. Of interest, the DG stated that Libya had submitted its requests for extensions of the one, 20, and 45 percent intermediate time lines for destruction of its stockpile and that the current inspection frequency of "other chemical production facilities" is not sufficient. The draft 2005 OPCW Program and Budget will be tabled in May.

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AGENDA ITEM FOUR: GENERAL DEBATE  
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**14.** (U) General debate opened with a statement from the EC Chairman paying condolences to the Netherlands on the death of the Queen Mother, to Spain for the bombing in Madrid, and to Macedonia on the tragic death of their President. Canada then announced it would be completing its four-year term as a member of the Executive Council, but proclaimed its intentions to remain engaged on key issues. Ambassador Javits delivered the U.S. statement. Most statements welcomed the accession of Libya to the CWC as a positive outcome of universality and on the outcome of the workshop on RBB, but noted that more coordination between the Secretariat and States Parties was needed.

**15.** (U) The highly anticipated opening statement by the Libyans, delivered by Mr. Al-Mabrouk Mohamed Mailad, Head of the National Security Branch, Tripoli, was well received by the Council. Libya proclaimed full and total commitment to the CWC and to various international agreements. It announced the submission of its initial declaration to the

OPCW as of March 5, and the irreversible destruction of 3,561 unfulfilled CW munitions. Libya stressed that its accession to the CWC should not be considered as yielding to international pressure, but seen as a new vision and prioritization toward a global policy. The Libyan statement concluded by noting that Libyan accession should become a benchmark to rid the world of WMD in other areas of the world, particularly in the Middle East.

**¶16.** (U) Ireland stated, on behalf of the EU, that the EU had been promoting universality of the CWC by sending 30 demarches to States not yet Party. Turkey, Iran, and South Africa emphasized that CW possessor States Parties need to do more to keep their demilitarization programs on schedule. Canada, Japan, China, Iran, South Africa, and South Korea emphasized the need for the smooth implementation of the tenure policy.

**¶17.** (U) South Africa, speaking on behalf of the African Union, stated that a Center on Terrorism would be established in Algiers to exchange information and alert African States Parties of terrorism on the continent. India once again highlighted its ahead-of-schedule CW destruction program, and received congratulations from the Council Chairman and other delegations.

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AGENDA ITEM FIVE: STATUS OF IMPLEMENTATION  
OF THE CONVENTION

**¶18.** (U) Universality: The Council agreed to note the report by the TS on the implementation of the Action Plan for Universality (EC-36/S/9). Several States Parties voiced support for universality and encouragement for more States not yet Party to join the Convention. The UK announced a voluntary contribution of 18,000 Euros for African States not yet Party to participate in the workshop in Addis Ababa, Ethiopia. The UK and India commented on the issue of points-of-contact (POC). The UK was concerned that only nine States Parties had identified POCs and encouraged others to participate. Conversely, India opined that identifying POCs was based on an informal and voluntary process and the lack of participation should not impact the plan of action.

**¶19.** (U) The DG stated that a corrigendum to the announcement of the Malta Workshop on Universality and National Implementation had been distributed to modify the date when States Parties must submit nominations for participation in the workshop to April 16, 2004 (S/408/2004/Corr.1). The original announcement only gave States Parties two weeks to nominate participants, which was not a sufficient response time.

**¶10.** (U) Implementation of Confidentiality: The Council noted the report.

**¶11.** (U) Confidentiality: The EC Chair announced U.S. Del member Betsy Sanders as the new Facilitator for Confidentiality. The Council, then, agreed to defer

SIPDIS decisions on Confidentiality until the new Facilitator had time to consider the issues.

**¶12.** (U) Challenge Inspections: The Council agreed to note the report on Challenge Inspection (EC-36/DG.5.Rev.1, dated 17 February 2004). The Delegation made the points from the floor of the EC provided by Washington in the guidance cable. The final report language was also in accordance with that sought by Washington. In addition, the Delegation and Washington TDYers spoke with the Technical Secretariat about the importance of proceeding with preparations to conduct a CI, and of the need to investigate transportation options to a CI site. Ambassador Javits also raised with DG Pfirter the need for the TS to move ahead smartly with work on CIS.

**¶13.** (U) The Council considered and approved a decision on clarification and declarations (EC-34/DEC/CRP.8/Rev.2, dated 24 March 2004).

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AGENDA ITEM SIX: ARTICLE VII ACTION PLAN

**¶14.** (U) The Council received the Note by the DG on the Progress Report on the implementation of the plan of action of Article VII obligations (EC-36/DG.16, dated 4 March 2004, Corr. 1 dated 15 March 2004, and Add.1, dated 25 March 2004). The Council encouraged the Secretariat to enhance coordination of its activities with States Parties regarding offers of or requests for assistance. The U.S. stressed the importance that all States Parties must make every effort to implement Article VII by CSP-10.

**¶15.** (U) The Council approved the agreed detailed plan for destruction of chemical weapons at Pine Bluff Arsenal Chemical Agent Disposal Facility. The agreed detailed plan for Aberdeen Chemical Agent Disposal Facility was once again blocked by the Russian Federation and the plan for Dugway EDS was deferred by China to allow time for its further consideration and review in Beijing. The Council approved the detailed plan for verification of destruction of Libyan Category 3 munitions (unfilled bombs) and noted a report on completion of that destruction. Russia provided an extensive but largely vacuous and illusory explanation of its plans to meet its extended deadline for destroying 45% of its declared stockpile of chemical weapons.

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AGENDA ITEM EIGHT: DESTRUCTION OR CONVERSION  
OF CHEMICAL WEAPONS PRODUCTION FACILITIES  
- COMBINED PLANS FOR DESTRUCTION OR CONVERSION  
AND VERIFICATION OF CWPF -

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**¶16.** (U) The Council considered and approved both the Russian combined plan for conversion and verification of the chemical weapons production facility (production of VX-type substance and filling it into munitions), EC-32/DG.8 dated 19 February 2003), and the draft decision approving this plan (EC-32/DEC/CRP.8, dated 11 March 2003). U.S. CW experts met with Russian experts to again present and discuss U.S. proposed changes to this plan. Unlike the last EC meeting, Russian experts came prepared to work through any problems. As a result, the Russian delegation was able to agree to all the stipulated U.S. changes. The appropriate corrigendum was drafted and submitted to the TS that captured such changes.

**¶17.** (U) The Council considered and approved the Russian combined plan for Phase 2 of the destruction and verification of chemical weapons production facility (Lewisite Production) at Dzerzhinsk (EC-36/DG.11, dated 11 February 2004). U.S. CW experts held extensive consultations with Russian experts to capture both U.S. and Russian concerns. Del presented and discussed the U.S. proposed comments and questions provided in the guidance relative to the Detailed Destruction and Verification Plan. Russian experts reviewed and accepted U.S. changes, as well as updated its work stages as we requested under the "Schedule of Destruction Measures" in the detailed plan. The one outstanding issue left to resolve was the two references to the destruction of the "eastern part of Block 317" taking place in phase 2 and 3. During expert consultations, Russian experts made clearer their intention to include the destruction of the "eastern part of Block 317" in Phase 2, and destroy the "remaining part of Block 317" in phase 3. U.S. experts pointed out that there is no such distinction made in the document, and destruction of the "eastern part of Block 317" in phase 2 was not captured in the detailed destruction or verification plan like the other items listed to be destroyed.

**¶18.** (U) Consequently, U.S. experts pointed out that such a change could not be done unless such activity was fully captured in the plan for phase 2 just like the other items to be destroyed. During ongoing discussions with U.S. experts, Russian experts continually referred to the "eastern part of block 317" as the "social section." Therefore we noted the name as such for clarity sake. Both U.S. and Russian experts met several times to work on a corrigendum that effectively captures the destruction and verification of what is now called the "social section of block 317" scheduled for destruction in phase 2, and the remaining part of block 317 to be destroyed in phase 3. During this process, Russian experts were very cooperative, accepting both our initial comments and additional changes to include providing a diagram showing the social and remaining sections of block 317. After careful review of all the changes, the U.S. and Russian experts submitted a final agreed corrigendum to the Technical Secretariat, thereby allowing the U.S. to join consensus in approving this document.

**¶19.** (U) The U.S. combined plans for destruction and verification of the chemical weapons production facilities (QL and DC) at Pine Bluff Arsenal (EC-35/DG.3 and EC-36/DG.10, respectively) were both approved by the Council.

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-- NOTIFICATION OF CHANGES AT FORMER CHEMICAL  
WEAPONS PRODUCTION FACILITIES --

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**¶20.** (U) The Council considered and again decided to defer the DF production facility Volgograd, Notification of Changes to Chemical Process Equipment (EC-34/DG.1 dated 4 June 2003) and the Facility for Filling of Non-chemical parts of chemical munitions, Volgograd, EC-34/DG.3, dated 10 June 2003) until the next regular session. The Russian delegation

noted their ongoing efforts with the Technical Secretariat to ensure that the changes in the above notifications are included in the combined plans for conversion and verification as required under Part V, paragraphs 79-80 of the Verification Annex. Moreover, Russian experts expect that the Combined plans will be completed and ready for circulation at the next regular session. U.S. experts were pleased to note that the Russian delegation was including such changes, and look forward to reviewing the plans. As a result of ongoing discussions between the Russian delegation and the Technical Secretariat on these plans, the EC considered and decided to take this issue up at its next session.

¶21. (U) The Council considered and noted with no objection the Russian notification of changes in the production activity at the former chemical weapons production facility (chloroether production), Novocheboksarsk (EC-36/DG.2, dated 19 January 2004). The U.S. delegation had no objection and joined consensus in approving this document.

¶22. (U) During the discussions on the DG's report on progress at Russian CW production facilities where conversion is still in progress, U.S. delegation made an intervention from the floor as noted in the guidance cable and outlined the U.S. concerns.

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AGENDA ITEM NINE: FACILITY AGREEMENTS  
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¶23. (U) The Council considered and approved the draft decision approving the facility agreement regarding on-site inspections at the chemical weapons destruction facility located at Gorny, Saratovskaya oblast (EC-35/DEC/CRP.1, dated 23 September 2003, and Corr.1, dated 1 March 2004). Del met with Russian experts and the TS to go over this agreement and the stipulated changes. Russian experts and the TS explained in detail such inspection activities as sampling, data authentication measures and monitoring. As a result the delegation was able to join consensus and approve this agreement.

¶24. (U) The Facility Agreement for the Chemical Agent Disposal Facility at Pine Bluff Arsenal (EC-36/DEC/CRP.5) was approved by the Council. The Facility Agreement for the Aberdeen Proving Ground Chemical Agent Disposal Facility (EC-32/DEC/CRP.6) was once again blocked by the Russian Federation, and the Facility Agreement for the explosive destruction system at Dugway Proving Ground (EC-36/DEC/CRP.10) was deferred by the Chinese to allow time for its further review and consideration in Beijing. The Council noted the agreed modifications to two U.S. Schedule 1 Facility Agreements (EC-36/S/1) and noted modifications and updates to an additional five U.S. Facility Agreements for CWPFs (EC-36/S/2). The Council also noted the agreed modifications and updates to five U.S. Facility Agreements for CWDFs.

¶25. (U) The Council approved the Belgian Facility Agreement for a Schedule 1 protective purposes facility (EC-31/DEC/CRP.1). Based on a recommendation from China from the floor of the Council, the Council agreed that the Facility Agreements for Spain and the Slovak Republic's Schedule 1 facilities for protective purposes (EC-36/DEC/CRP.1 and EC-36/P/DEC/CRP.2, respectively) would automatically be considered approved by the Council on April 23, 2004, if no member of the Council expressed opposition before that date.

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AGENDA ITEM TEN: CHEMICAL INDUSTRY ISSUES  
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¶26. (U) Schedule 2/3 Captive Use: The Council approved the decision (EC-34/DEC/CRP.5/Rev.3) on the understanding of "captive use" in connection with declarations of Schedule 2/3 production. This closes one of the long-open agenda items before the industry cluster. In sidebar discussions between the U.S. and Indian delegations, it became clear the Indians were looking for a face-saving way of accepting the document. This was, presumably, due to the recent history of political attention (e.g., demarches) given by the U.S., UK, Canada and other State Parties and international industry organizations. Del and the Indians worked on a non-substantive addition to the operative paragraph, which proved acceptable.

¶27. (U) Schedule 1 Captive Use: The Council agreed to continue consultations on the issue of Schedule 1 chemicals in captive use situations. The German delegation circulated an updated, non-paper on the issue for consideration at the next industry cluster session.

¶28. (U) Schedule 2 Facility Agreements: The Council agreed to continue consultations on the issue of Schedule 2 Facility Agreements. Despite attempts by the facilitators to find

compromise report language which instructed the TS to be more flexible in their decisions on whether to conclude a facility agreement (taking into account plant site complexity, activities, likelihood of inspection and requests of the inspected State Party), both the Indian and Iranian delegations blocked consensus. The Indian and Iranian delegations view Schedule 2 Facility Agreements as a treaty requirement and are concerned with any "watering down" of the obligation to conclude a facility agreement. Specifically, they oppose efforts they perceive are designed to bring the Schedule 2 negotiation process in line with that of Schedule 3 and Other Chemical Production Facility agreements which are only concluded "unless requested" by the inspected State Party. The proposed text had the support of the vast majority of States Parties in that it reduces the administrative burdens on both the TS and States Parties and clearly met the requirements of the treaty by providing the TS with the criteria necessary to "agree that it (facility

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agreement) is not needed."

**129.** (U) Clarification of Discrepancies: On the issue of clarification requests of transfer discrepancies, the Council simply acknowledged they received a report of the facilitator on this issue. The EC was unable to reach a consensus on draft report language designed to review the discussion on the topic held during the February 2004 round of consultations. The draft text encouraged the TS to continue to seek efficiencies in the clarification request process. The draft language also reflected that, during the consultations, some States Parties suggested that the TS consider the "relevant production thresholds" in determining what should be considered "significant" and, therefore, in need of clarification when balancing transfer discrepancies. The Indians, South Africans and Iranians opposed inclusion of status report text on an issue still under consultation. An attempt to circulate the draft status report as an EC document and then cite the document in the report was also rejected.

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**AGENDA ITEM ELEVEN: CHANGES TO THE LIST  
OF APPROVED EQUIPMENT AND TO THE TECHNICAL  
SPECIFICATIONS FOR APPROVED EQUIPMENT**

**130.** (U) The Council approved the list of approved equipment (EC-35/DG.1, dated 10 Oct 03) and recommended that the Conference at its Ninth Session approved the item for inclusion in the list of approved equipment. The Council also approved the revisions to the specifications for the two items of approved equipment (EC-36/DEC/CRP.3).

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**AGENDA ITEM TWELVE: LIST OF NEW VALIDATED DATA FOR INCLUSION  
IN THE OPCW CENTRAL ANALYTICAL DATABASE**

**131.** (U) The Council considered the note by the Director-General on the list of new validated data for approval by the Council for inclusion in the OPCW Central Analytical Database (EC-36/DG.6, dated 5 February 2004), and adopted a decision on said list (EC-36/DEC/CRP.6, dated 5 February 2004) without comments or amendments.

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**AGENDA ITEM 13: ABAF Report**

**132.** (U) The EC noted the report of the Advisory Body on Administrative and Financial Matters and the Director General's note on the ABAF Report. With reference to the implementation of Results-Based Budgeting, South Africa proposed report language that the "Council requested the TS to implement only the recommendations by ABAF which have been adopted by the Executive Council." However, the U.S. objected to that report language, and South Africa withdrew the proposal.

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**AGENDA ITEM 14: Financial Issues**

**133.** (U) Income/Expenditure, RBB, and Insurance Reports: The EC noted Income and Expenditure reports for the months November, December, and January, and noted that consultations continued on introducing Results-Based Budgeting. The Council also noted the TS proposal on Non-Service Incurred Death and Disability (EC-36/S/10, faxed to AC/CB on March 23), but only after deferral by the U.S. and considerable debate. Director of Administration Schulz provided a status report on his consultations with an insurance consultant that helped assuage persistent questions about how the new coverage would be introduced. The EC report drew on language proposed by the facilitator Ian Mundell (Canada) calling for immediate action to bring practice into conformity with

existing regulations and phase out non-service incurred death and disability insurance coverage. The report language was FAXed to AC/CB and was adopted by the EC exactly as had been approved by Washington.

**¶34. (U) Reorganization of the Travel Management Function:** The EC noted the TS report on the reorganization of the travel management function. On the margins of the EC, Director of Administration Schulz informed us that two firms were under consideration to undertake travel software development. Schulz did not indicate when the final selection would be made, emphasizing that working directly with an outside contractor to obtain tickets would generate much more savings than automation would, perhaps 50% off current rates. He commented that the sharpest increase in travel costs was due to top management at OPCW, whose travel costs had increased from 30,000 to 140,000 Euros.

**¶35. (U) Home Leave Entitlements Policy (EC-36/S/4):** With inclusion of a non-substantive amendment proposed by India, the EC adopted U.S. report language as provided by Washington that mandates cost savings. USDel recalled that the DG had undertaken to provide specific guidance on home leave travel, and the report language specified that the home leave policy ensure that costs were as economical as possible.

**¶36. (U) Article IV/V:** On the margins of the EC, Article IV and V funding facilitator Johan Verboom (Netherlands) hastily reconvened informal consultations on March 23 to explore whether it might still be possible to reach consensus on a draft decision for consideration by EC-36. He and Peter Beerwerth (Germany) then tabled two new alternative texts for consideration (both faxed to AC/CB):

-- Verboom's text was a revision of his March 15 draft decision, modified to address the "inequity" problem that Beerwerth had identified at the last round of informals on March 18 (see Weekly Wrap-up cable dated March 19), plus other minor fixes proposed by delegations.

-- Beerwerth's contribution was threefold: proposed revisions to Financial Regulations, an alternative draft decision, and a covering explanatory note. He intended this to address the Art IV/V cashflow problem and associated Financial Regs at one swoop, but it also introduced new elements, including a 60-day deadline for Possessor States to pay Art IV/V verification invoices.

**¶37. (U)** Recognizing that there was little point in delving immediately into the substance of two texts, Verboom sought the views of delegations on the possibility of consulting with capitals overnight and discussing the drafts on March 24, in hopes of reaching consensus on a single text before the EC wrapped up on March 26. He and Beerwerth explained the need for quick action by noting that if there were no agreement at EC-36, the External Auditor would formalize the budget surplus for 2002, which Financial Regulations then require to be refunded to States Parties, rather than being applied to the Working Capital Fund. Nevertheless, many delegations reported that their capitals would not have time to study and decide on a compromise text, especially on the new elements contained in Beerwerth's proposal, in time for an EC-36 decision.

**¶38. (U)** Russia put down a marker that any move to impose a 60-day deadline for repaying invoices for Art IV/V verification costs would lead to "extensive consultations with our capital." Italy did not voice objection to capitalizing the Working Capital Fund at 9 million Euros or to moving to cap of 2/12 of the regular budget, as it had in earlier consultations, but neither did it state its agreement to those changes. Numerous delegations stated that their capitals would need to examine new language in both texts addressing the "inequity" issue. This language would require those SPs which had not fully paid their assessed contributions to make additional, advance payments to top up the WCF, while those who had paid up would simply recycle their refund from previous years' surpluses into the WCF. Remaining surplus funds would be paid out to SPs in proportion to their paid, assessed contributions. These questions will be discussed in the intersessional period.

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AGENDA ITEM 15: OIO And External Auditor Reports  
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**¶39. (U)** The EC considered and noted documents EC-36/DG.7 and EC-36/S/3. Facilitator Ian Mundell (Canada) effectively made the U.S. points outlined in the guidance cable and stated the hope that subsequent reports on the implementation of recommendations of the Office of Internal Oversight and of the External Auditor would provide a higher level of detail. Chiho Komuro (Japan) will succeed Mundell as OIO/EA facilitator, and has already expressed support for the U.S. push to improve the operations of the OIO and to press for "value for money" audits by the External Auditor.

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AGENDA ITEM SIXTEEN: Election of EC Chairman  
and Vice Chairman  
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¶40. (U) The Council elected Jose Antonio Arrospide Del Busto (Ambassador of Peru) as Chairman of the Executive Council beginning with EC-37 (June 2004). Netherlands, Algeria, Pakistan, Russian Federation were elected as WEOG Vice-Chairs. The Peruvian Ambassador stated that he would inform delegations when a decision had been reached on a suitable date for a special EC in May once the new Bureau is in place.

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AGENDA ITEM 17: Any Other Business  
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¶41. (U) Tenure Implementation: The substance of the Director General's report on implementation of the tenure policy was not discussed by the EC. Rather than "consider" the report, the Council decided that the report would be "received" by it and that it would be deferred to a future session. Sudan (speaking for African Group), along with Italy, Pakistan, Sri-Lanka, Germany, Japan all made interventions asking for a deferral.

¶42. (U) That did not stop a flood of interventions by delegations who wished to make sure they were on the record on what was recognized as a clearly pressing issue. There was criticism of varying degrees of harshness in the speeches, but the DG largely came away unscathed. There were many comments about the importance of staff morale. In that regard, the DG informed the delegations that there were efforts under way by the TS to provide various types of transition assistance for staff who were separated under the tenure policy. As Washington still has questions about the prospect of converting internationally recruited general service posts to local status, and opposed the voluntary non-renewal option, Ambassador Javits emphasized to DG Pfirter the importance of stating that such initiatives are still in the category of "work in progress" and will require consultations with States Parties. The DG subsequently made that point very clear to the EC.

¶43. (U) On conversion of internationally recruited GS posts to local status, Sudan (on behalf of the African Group) made a strong pitch for geographical representation arguing that Africa is badly underrepresented in the TS and called for a "quota system" (no further detail provided). The DG stated that he was committed to geographical distribution -- to the extent possible -- and that this concept is just an idea that could, perhaps, be implemented for a one-year trial. He argued that he was not trying to cut back the number of international slots at the TS, but merely trying to take advantage of the potentially large pool of international locals in the Netherlands.

¶44. (U) Scientific Advisory Board (SAB) recommendations to the First RevCon: As instructed, Del made an intervention to jumpstart the SAB on studying scientific and technological developments. India, Pakistan, South Africa, Iran all made interventions stating that the Council could only "receive" the report rather than "consider" it. Iran stated that informal consultations may be required on the document.

¶45. (U) Javits sends.  
SOBEL